



United States
Department of
Agriculture

Foreign
Agricultural
Service

FACT SHEET

U.S.-Colombia Trade Promotion Agreement Oregon Farmers Will Benefit

September 2008

The U.S.-Colombia Trade Promotion Agreement (CTPA) provides increased access for Oregon's agricultural exports by making agricultural trade a two-way street and leveling the playing field with respect to third country competitors in the Colombian market. Already our largest market in South America, Colombia now holds even greater potential because it has agreed to immediately eliminate duties on 53 percent of current U.S. trade upon implementation of the agreement. The American Farm Bureau and over 40 other agricultural industry and farm groups strongly support the agreement by stating "the agreement will provide U.S. products exported to Colombia with the same duty-free access already granted to Colombian products exported to the U.S."

Exports of farm products boost Oregon's farm prices and income. Such exports support about 11,720 jobs both on and off the farm in food processing, storage, and transportation. Agricultural exports amounted to \$1.1 billion and made an important contribution to Oregon's farm cash receipts in 2007 that totaled \$4.3 billion.

Fruits. Exports of fresh fruit to Colombia surpassed a record \$14.4 million in 2007. Oregon apples and pears generate \$122 million in state cash receipts; Oregon grape producers provide more than \$73 million in cash receipts; Oregon's blueberry and cranberry producers generate \$93 million in farm cash receipts, while Oregon's cherry producers supply \$49 million in cash receipts. As the nation's fourth largest exporter of fruits and preparations, with exports surpassing \$171 million, Oregon's fruit producers and processors will benefit from the CTPA.

- Current duties on fruit and preparations are 15–20 percent in Colombia, and under World Trade Organization (WTO) rules, could rise to 140 percent.
- Colombia will immediately eliminate duties on fresh apples and pears.
- Colombia will immediately eliminate duties on grapes.
- Colombia will immediately eliminate duties on fresh and frozen blueberries and cranberries.
- Colombia will immediately eliminate duties on cherries.
- Colombia will immediately eliminate duties on fresh and frozen strawberries and raspberries.

- *The Northwest Horticultural Council and the Grocery Manufacturers Association/Food Products Association publicly supports the CTPA.*

Beef. In 2007, the United States exported \$386,000 of beef and beef products to Colombia. Oregon's ranchers and beef industry provide the state's second largest source of farm cash receipts.

- Colombia will immediately eliminate its 80-percent duty (108 percent allowed by the WTO) on beef products of most importance to the U.S. beef industry—prime and choice cuts.
- U.S. exporters of standard quality beef cuts will enjoy immediate duty-free access through a 2,100-ton tariff rate quota (TRQ). The TRQ will grow by 5 percent, compounded annually. Colombia will phase out the 80-percent out-of-quota tariff over 10 years after a 37.5-percent cut at the beginning of the first year of implementation.
- U.S. exporters of variety meats (offals) will immediately receive duty-free access under a 4,642-ton TRQ that will grow 5.5 percent, compounded annually. The 80-percent over-quota tariff will be phased out over 10 years.
- Colombia agreed to continue to recognize the equivalence of the U.S. meat inspection and certification system to its own system.
- Colombian exporters of beef to the United States will receive duty-free access under a 5,250-ton TRQ that will grow 5 percent, compounded annually. The United States will phase out its beef tariffs over 10 years. For those beef lines that are already duty free under the Andean Trade Promotion and Drug Eradication Act, the CTPA will continue the duty-free treatment.
- *The American Meat Institute; National Cattlemen's Beef Association; U.S. Hide, Skin and Leather Association; U.S. Livestock Genetics Export, Inc.; and Pet Food Institute publicly support the CTPA.*

Vegetables. In 2007, the United States exported \$1.6 million of fresh and processed vegetables and products to Colombia. Oregon vegetable growers and processors supply \$145 million in agricultural exports.

- Current duties on vegetables and preparations are 5–20 percent in Colombia, and under WTO rules, duties could rise to 102 percent.
- With more than \$1.4 billion in state farm cash receipts, California lettuce producers will benefit from CTPA, as will tomato producers and broccoli producers with more than \$1 billion and \$625 million in farm cash receipts, respectively.
- Colombia will immediately eliminate tariffs on these products.
- *The American Frozen Food Institute and Grocery Manufacturers Association/Food Products Association publicly support the CTPA.*

Wheat and Barley. In 2007, the United States exported \$210 million of wheat and barley to Colombia. With nearly \$165 million in export sales and total cash receipts of \$281 million, Oregon's wheat producers will benefit from the CTPA.

- U.S. wheat and barely producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 248 percent. Colombia will immediately eliminate the price band system on imports from the United States.

- Colombia will immediately eliminate all tariffs on wheat and wheat products, which currently face duties ranging from 5–20 percent.
- Colombia will immediately eliminate all tariffs on barley and barley products, except feed barley. Tariffs on feed barley will be eliminated in 2009.
- *The National Association of Wheat Growers, the National Grain and Feed Association, the North American Export Grain Association, the North American Millers' Association, the National Barley Growers Association, U.S. Wheat Associates, and the American Bakers Association publicly support the CTPA.*

Dairy. U.S. dairy exports to Colombia surpassed \$6.6 million in 2007, and changes with the CTPA will provide immediate opportunities for U.S. dairy producers. Oregon dairy producers generate the third largest source of state farm cash receipts.

- U.S. dairy producers currently face a system of variable levies (price band system) that results in tariffs as high as the WTO ceiling of 159 percent. Colombia will immediately eliminate the price band system on U.S. imports.
- Colombia will immediately eliminate tariffs on whey.
- Both Colombia and the United States will establish duty-free TRQs for certain dairy products totaling 9,900 tons, with these TRQs growing by 10 percent, compounded annually.
- All Colombian duties on dairy products will be eliminated within 15 years, with duties on some eliminated earlier.
- *The National Milk Producers Federation, U.S. Dairy Export Council, Grocery Manufacturers Association/Food Products Association, and International Dairy Foods Association publicly support the CTPA.*